

THE TRADE COMPLIANCE INITIATIVE

TRIPLING U.S. GOVERNMENT EFFORTS

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Market Access & Compliance

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Import Administration

The Administration has announced an interagency Trade Compliance Initiative in the FY2001 budget submission to Congress. This multi-faceted initiative will provide a robust and comprehensive approach to trade compliance and market access issues confronting U.S. industry, and is critical to our efforts to assure that countries like China comply with their trade obligations to us. Participating agencies include the Departments of Commerce, State, Agriculture and the Office of the U.S. Trade Representative.

Two units within the Department of Commerce's International Trade Administration will be responsible for carrying out the Commerce elements of the Initiative: Market Access and Compliance (MAC) and the Import Administration (IA). The following is a detailed outline of the various components each unit will contribute to the overall plan.

MARKET ACCESS & COMPLIANCE

The Market Access and Compliance unit is the U.S. Government's front-line offensive team working to unlock foreign markets for American goods and services country-by-country and

region-by-region. MAC's overriding objectives are to obtain market access for American firms and workers, and to achieve full compliance by foreign nations with trade agreements they sign with our country. In addition, MAC develops strategies to overcome obstacles faced by U.S. businesses in foreign markets.

The Compliance Initiative in the President's FY2001 budget requests an increase of \$6.3 million and 46 new employees to enable MAC to more effectively tackle trade barriers faced by U.S. firms in the new century. The components of this initiative for MAC are:

OVERSEAS COMPLIANCE OFFICERS

For the first time, MAC will develop a group of specialized overseas officers devoted exclusively to monitoring foreign government practices that restrict market access or contravene U.S. rights under trade agreements. Some officers will be located on the ground in Beijing, Tokyo and Brussels. These groups will be staffed by compliance, trade law and market access experts, and will focus on China, Japan, the European Union and other countries.

CHINA TRADE COMPLIANCE

This initiative will more than triple the number of compliance officers in

Washington devoted to China to ensure effective monitoring and enforcement of the U.S.-China Bilateral Agreement on China's accession to the WTO and other bilateral trade agreements. In addition, it will provide expert staff to work with our Embassy and Overseas Compliance Officers on market access and compliance issues.

JAPAN TRADE COMPLIANCE

The Trade Compliance Initiative will almost double the number of trade analysts and compliance officers in Washington devoted to Japan and provide more experts to work with our Embassy and the Overseas Compliance Officers on overcoming trade agreements violations and anti-competitive practices that impede U.S. exports.

EU & REST OF THE WORLD TRADE COMPLIANCE

The initiative will increase by 15 percent the professional staff devoted to overcoming market barriers in the EU and other geographic regions. This increase will enable MAC to support commercial initiatives in the Near East and Africa, help underpin foreign policy efforts in these regions, combat changes in regulatory areas that have resulted in significant new problems for U.S. exporters, and deal with the accession of several new trading partners to the WTO, including China, Taiwan and others.

ENFORCEMENT OF OUR WTO RIGHTS, INCLUDING DISPUTE SETTLEMENT

This initiative will assist MAC in enforcing our WTO rights that come into effect in 2000 (such as intellectual property, investment measures and customs valuation) and monitoring other obligations undertaken by WTO members.

IMPORT ADMINISTRATION

The Import Administration impartially enforces our trade laws, ensuring that U.S. companies face a level playing field in the domestic marketplace. The Import Administration's portion of the Trade Compliance Initiative contains the following critical elements.

OVERSEAS COMPLIANCE PROGRAM

To support the Administration's commitment to vigorous enforcement of the Antidumping and Countervailing

gate hidden subsidy and anti-competitive practices. IA must also expand headquarters strength in order to be able to monitor specific Chinese and Japanese trade practices — including more than 75 antidumping orders on both countries — that could over time have a significant impact on U.S. industries.

IMPORT SURGE MONITORING, EXPEDITED INVESTIGATIONS AND SUBSIDIES ENFORCEMENT

This portion of the initiative will enhance the vigorous enforcement of the AD/CVD laws by enabling IA to implement critical U.S. trade policy initiatives and new requirements set forth in the Uruguay Round Agreements Act (URAA). Both the Administration and Congress have recognized the continuing need to: 1.) monitor import surges brought about by sudden international economic

least able to hire expensive legal representation, will be able to effectively and meaningfully participate in the AD/CVD process and obtain relief from unfair trade practices.

ENFORCEMENT OF WTO RIGHTS & DISPUTE SETTLEMENT

IA will maintain a more proactive AD/CVD trade policy approach and will place more emphasis on promoting greater transparency and fairness on the part of those countries that possess or are developing AD/CVD programs.

The Trade Compliance Initiative fully supports the Department of Commerce's commitment to vigorous enforcement of our trade laws and agreements. Only with a level playing field can U.S. companies position themselves to expand into new export markets. An industry permitted to be

“THE U.S. TRADE COMPLIANCE INITIATIVE WILL MORE THAN TRIPLE THE NUMBER OF COMPLIANCE OFFICERS IN WASHINGTON DEVOTED TO CHINA TO ENSURE EFFECTIVE MONITORING AND ENFORCEMENT OF THE WTO ACCESSION AGREEMENT AND OTHER BILATERAL TRADE AGREEMENTS.”

Duty (AD/CVD) trade laws, IA will deploy specialized attaches to countries including China to conduct the following tasks: AD/CVD verification, AD/CVD education, technical support and research for suspension agreement negotiations and market studies.

CHINA TRADE COMPLIANCE & JAPAN TRADE COMPLIANCE

Consistent with our rationale for the Overseas Compliance Corps is the urgent need for greater attention to both Japanese and Chinese trade practices. IA must enhance its study and evaluation of the trade practices of both countries to provide consistent remedial relief to U.S. industry. IA must work proactively on-site in both China and Japan to monitor trade compliance activities, and to investi-

changes; 2.) expedite AD/CVD investigations when warranted by import surges; and, 3.) further strengthen our subsidies enforcement activities, which assist U.S. exporters in combating unfair competition in foreign markets due to subsidization.

TRADE LAW TECHNICAL ASSISTANCE CENTER

IA will establish a center to counsel potential petitioners regarding the remedies available under the AD/CVD laws. The costs of legal representation to small businesses and the complexity of the AD/CVD process can be overwhelming to small businesses fighting to remain solvent. By dedicating additional staff to meet with potential petitioners and by developing user-friendly instructional materials, those businesses in the greatest need of relief, but

injured by unfair foreign trade practices in its home market can only focus on its immediate survival and not on export strategies for future growth; that is why it is essential to enforce the AD/CVD laws. Similarly, companies that encounter unfair trading practices and market access problems are not able to enter new markets; that is why it is important to ensure foreign compliance with our trade agreements. As trade agreements become more numerous and more complicated, additional well-trained staff will be needed to ensure that our trading partners abide by their commitments. Nowhere is this perhaps more evident than with China's accession to the WTO, where careful expert monitoring is a necessity. This initiative will provide the resources necessary for the U.S. Government to accomplish these goals. ■